



February 22, 2021

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

RE: Docket RU-00000A-18-0284 Economic Impact Statement (EIS)

Dear Commissioners and Staff,

At the February 18, 2021 Staff Meeting, Staff indicated they would be revising the EIS by February 26, 2021. On February 19, 2021, Commissioner Kennedy submitted a letter to the Energy Rules docket indicating several dockets that should be incorporated by reference into the EIS.¹ Further, on January 21, 2021, the Joint Stakeholders filed comments in the docket that included a table with numerous studies pertaining to the transition to clean energy.² We support the inclusion of those dockets and reports.

Further, the climate science is clear. The Intergovernmental Panel on Climate Change states that to keep to a 1.5°C increase in global temperature, *economy wide* carbon emissions must be net zero by 2050, but earlier reductions are also needed, including a 45% carbon reduction by 2030.

- Intergovernmental Panel on Climate Change's Special Report, Global Warming of 1.5° C, 2018, <https://www.ipcc.ch/sr15/>

Western Resource Advocates (WRA) recommends that Staff review and include the following items in the revised EIS:

Integrated Resource Plans (IRP): E-00000V-19-0034

The Final IRPs filed by Tucson Electric Power (TEP) and Arizona Public Service (APS) in June of 2020 are consistent with their clean energy/decarbonization commitments and include an analysis of the cost of their preferred portfolios. WRA recommends these documents be included within the economic assessment of the Energy Rules.

1. Tucson Electric Power, 2020 Integrated Resource Plan, June 26, 2020, <https://docket.images.azcc.gov/E000007291.pdf?i=1613771629712>
2. Arizona Public Service, 2020 Integrated Resource Plan, June 26, 2020, <https://docket.images.azcc.gov/E000007312.pdf?i=1613771629712>

¹ Letter from Commissioner Kennedy, <https://docket.images.azcc.gov/E000011835.pdf?i=1613771598389>

² Joint Stakeholder Comments, <https://docket.images.azcc.gov/E000011269.pdf?i=1613771598389>

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Further, the Alternative IRP commissioned by the Joint Stakeholders in 2018, is also informative.

- Joint Stakeholders, Alternative IRP, February 2, 2018, <https://docket.images.azcc.gov/0000185642.pdf>

Energy Rules: RU-00000A-18-0284

The following reports were filed in the Energy Rules docket. WRA recommends these documents be included within the economic assessment of the Energy Rules.

1. Institute for Policy Integrity, Valuing Pollution Reductions, January 22, 2021, <https://docket.images.azcc.gov/E000011296.pdf?i=1613771598389>
2. Western Resource Advocates and Clean Air Task Force, Western Interconnect Clean Energy Study, January 22, 2021, <https://docket.images.azcc.gov/E000011307.pdf?i=1613771598389>
3. Southwest Energy Efficiency Project, AZ Energy Rules Analysis, January 22, 2021, <https://docket.images.azcc.gov/E000011309.pdf?i=1613771598389>
4. Lazard, Levelized Cost of Energy Analysis, July 30, 2020, <https://docket.images.azcc.gov/E000007907.pdf?i=1613771598389>
5. Sierra Club, Western Grid Group, and the Citizen Groups, Harnessing Financial Tools to Transform the Electric Sector, July 13, 2020, <https://docket.images.azcc.gov/E000007581.pdf?i=1613771598389>
6. Ceres, Making the Most of the Power Plant Market: Best Practices for All-Source Electric Generation Procurement, May 19, 2020, <https://docket.images.azcc.gov/E000006575.pdf?i=1613771598389>
7. Southwest Energy Efficiency Project, Energy Efficiency: Standards Versus IRPs, April 8, 2020, <https://docket.images.azcc.gov/E000005829.pdf?i=1613771598389>
8. E3, APS IRP Stakeholder Screening Tool, March 23, 2020, <https://docket.images.azcc.gov/E000005523.pdf?i=1613771598389>
9. Ceres, Arizona Renewable Energy Standard and Tariff: 2020 Progress Report, March 11, 2020, <https://docket.images.azcc.gov/E000005256.pdf?i=1613771598389>
10. CNA Military Board, Advanced Energy and US National Security, December 19, 2019, <https://docket.images.azcc.gov/E000004166.pdf?i=1613771598389>
11. Sierra Club, Arizona Coal Plant Valuation Study, September 25, 2019, <https://docket.images.azcc.gov/E000002986.pdf?i=1613778004653>
12. The Western Way, The Economic Benefits of Arizona Rural Renewable Energy Facilities, May 16, 2019, <https://docket.images.azcc.gov/E000000808.pdf?i=1613771598389>

The Energy Rules were, indeed, based on data. This docket and the others incorporated by reference provide a robust foundation on which to move forward. An emission-based regulatory structure provides maximum flexibility in meeting the standard by focusing on carbon dioxide

emissions over time rather than any specific technology. A zero-carbon standard that is technology neutral allows utilities to employ the most cost-effective carbon reduction strategies to meet the standard and incentivizes the development of new carbon-reducing strategies and technologies.

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